



State of Nevada Department of Business & Industry

Bruce Breslow, Director

1830 College Parkway, Suite 100

Carson City, Nevada 89706

Phone (775) 684-2999 | Fax (702) 684-2998

business.nv.gov

Contact: Teri Williams, Public Information Officer

Phone: (702) 486-0407 ; E-mail: twilliams@business.nv.gov

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Department of Business and Industry launches inaugural Nevada Housing Stability Index

Index serves as barometer of statewide housing market stability

Las Vegas, NV- The Department of Business and Industry has released its inaugural Nevada Housing Stability Index report for the first quarter of 2013. The index is intended to monitor the overall health of the statewide Nevada housing market and provide a barometer of market stability.

The index, developed by Applied Analysis, will be published quarterly and is funded by the Housing and Data Index Project, a joint initiative of the Department of Business and Industry and the Lied Institute for Real Estate Studies at UNLV.

The index is comprised of 12 independent components such as underwater loan percentages, housing turnover rates, affordability ratios and foreclosure volumes. Each measure is weighted based on relevance and importance to the overall market's performance. The individual components and composite index is assigned a grade based on a 4.0 grade point average (GPA), with a "C" grade representing average quality.

First quarter findings:

- Stability in the market continued to improve from the prior year trending from a D grade in 2012 to a D+.
- Concerns about stability remain given that the state leads the nation in both price appreciation and mortgage holder delinquency.
- Areas experiencing the greatest level of improvement on a year-over-year basis include foreclosure volumes, distressed sales volumes and differential between new and resale closing prices.
- With only 1.3 months of effective inventory, general availability in the market is trending negatively. Combined with elevated foreclosure inventory, upward pressure on pricing may be unsustainable.
- Nearly 6 in 10 closings are taking place with cash buyers.

The Nevada Housing Stability Index can be downloaded from the Department's website at

business.nv.gov/News_Media/Publications.

About the Housing and Data Index Project

Nevada has led the nation in residential foreclosure filings and negative net equity since the beginning of the housing market collapse. Researchers agree the absence of systematic housing data has been prohibitive in the development of meaningful policy and programs that would aid in the recovery of the housing market. The project, a joint initiative of the Department of Business and Industry and the Lied Institute for Real Estate Studies at UNLV, provides a mechanism for extensive collection of data and analysis of current and future Nevada housing market trends. This data will aid policy makers in establishing public policy, legislation and programs as well informing the general public. Project initiatives include the publication of a monthly Housing Market Report, quarterly Nevada Housing Stability Index and convening a biannual Housing Market Forum.

About the Department of Business and Industry

The Nevada State Department of Business and Industry is a cabinet level agency in Nevada State government. Our objective is to encourage and promote the development and growth of business and to ensure the legal operation of business in order to protect consumers by maintaining a fair and competitive regulatory environment. The Director's office at B&I manages a number of programs and initiatives to address the needs of small businesses, homeowners and consumers including small business advocacy, bond programs, access to capital, housing retention programs, constituent services and fraud prevention and education.

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